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Saunders, William

Speech by  
Mr. William Saunders...

London

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SPEECH

BY

MR. WILLIAM SAUNDERS, M.P.

(WALWORTH),

ON

THE BUDGET,

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THURSDAY, 10th MAY 1894.

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*Extracted from*

"THE PARLIAMENTARY DEBATES, AUTHORISED EDITION."

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## SPEECH.

### HOUSE OF COMMONS,

Thursday, 10th May 1894.

#### FINANCE BILL.

\*Mr. SAUNDERS (Newington, Walworth) said, the right hon. Gentleman the Member for the Forest of Dean made a valuable contribution to this Debate when he pointed out that the landed interest and agricultural interest were not identical, but separate. The taxation of land was not only not the taxation of agriculture, but frequently meant the freedom of agriculture and the freedom of industry. That had been shown in a practical light by what had happened in New Zealand. Five years ago that colony was the most depressed of all our colonies. Now it was the most prosperous; and why? Five years ago the land of the colony was inaccessible, because it was held by large speculators and could not be obtained at a reasonable price. Recently taxation varying from 5 to 15 per cent. on the interest of the capital value had been imposed. As a result, the price of land had fallen 33 per cent., and instead of the working classes leaving the colony as they did five years ago to the extent of 20,000 in one year they were now returning thither, and the colony was in a most flourishing condition, because of the adoption of a just principle in the taxation of land. Until we had that principle applied in this country he feared that we should continue to suffer from depression of trade. The taxation of land in this country was conspicuous by its absence. He wished that some of the hon. Members who had complained of the taxation

of land had pointed out some instances in which that taxation bore heavily and unjustly. Many instances to the contrary could certainly be pointed to. He should like to invite the attention of the House for a moment to the condition of the working people of London. Take the case of a man who occupied one room in which the whole of his family were compelled to live, and paying for that room 4s. per week. That 4s. a week meant 1s. to the builder, 2s. to the ground landlord, and 1s. to the rate collector. That man paid 50s. per annum in rates. But what did the landowner pay? His contribution to the taxation of the country in that case was simply the amount of the Income Tax, and what he actually paid was 2s. 11d., as compared with the 50s. of the working man. Take another instance of the taxation of land—the case of an estate in the parish in which he lived, and which was only recently occupied by a millionaire. His land amounted to 40 acres, which was not a greater proportion than one acre would be to a business or professional man. Upon that 40 acres the rates payable according to the ratebook amounted to £4 per acre. Two years ago the land was sold to an Artisans' Dwelling Company, and buildings were to be erected for artisans and labourers. What did the House suppose would now be the taxation of that land? It would be at the rate of £80 per acre in addition to the value of the buildings put upon it, whatever they might be. It was quite obvious, therefore, that building operations were paralysed by excessive taxation. All this kind of taxation fell upon the masses and not upon the classes. Possibly there were Members in the House who remembered the declarations

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made by the late Prime Minister in 1886, when he knew that he was about to be defeated. He said—

"I have made concessions to the classes and concessions to powerful interests—concessions which have not been accepted in the same spirit in which they have been offered, and which will not be repeated. Henceforth I shall consider the interests, not of the classes but of the masses."

How had that pledge been kept? It was followed by the Newcastle Programme—and a grand programme that was, promising to the working classes of the country the taxation of ground values, the payment of Members, and the payment of registration expenses. Where did they find a vestige of these promises in the present Budget, and why did they not find it? Because this Budget, like the legislation generally which emanated from the classes, was made in the interests of the classes. The Chancellor of the Exchequer made a very clear statement as to what the effect of the Budget was—so clear and brief that he (Mr. Saunders) would venture to submit it to the House. The right hon. Gentleman said—

"Under the plan of the Government the increase of the Death Duties on personality will be £2,130,000 and upon realty £1,320,000. But on the total of £1,320,000 put upon realty we have given compensation under Schedule (A) of the Income Tax amounting to £600,000 applicable to realty. That will leave the net additional charge upon realty £700,000, of which sum £350,000 or £400,000 is asked from the landed interests of the United Kingdom of Great Britain and Ireland as their contribution to the defence of the country, to place their taxation upon an equality with that of other classes and interests."

Never was a proposal made to the House to accomplish by such small means such great results. And it would not do it. £350,000 or £400,000 was by no means an adequate contribution from the landed interest in the country to meet a deficit in the revenue occasioned by the increase in expenditure. What, then, became of the equalisation of Death Duties? The equalisation of Death Duties was a matter which had been urged by leading financiers for 100 years. In 1853 the right hon. Member for Midlothian (Mr. Gladstone) spoke of equalisation of the Death Duties, and urged that it should be effected, and he referred to what William Pitt had said 60 years before that. For 100 years the landed interest of this country had enjoyed exemption

from Death Duties which were paid by other property, and now when the matter came to be taken in hand, how was it dealt with? Instead of considering how much landlords had saved by the extension there was an attempt made to palliate the small burden which the equalisation of the duty would put upon land. The Income Tax was brought in to compensate for simply doing justice to the community in the matter of the equalisation of Death Duties, and in attempting that equalisation the Chancellor of the Exchequer had introduced a greater wrong than that which he proposed to remedy. For what was the state of affairs with regard to Income Tax? It had always been a matter of contention that persons enjoying fixed incomes from real property should pay a larger percentage than people were called upon to pay for a precarious income. In 1842 Mr. Disraeli, the then Chancellor of the Exchequer, proposed that incomes from real property should be rated at 7d. in the £1, and that incomes of a precarious nature should be rated at 5d. His successor did not adopt that proposal. And why? Because he said that—

"Incomes from realty were taxed on their gross value; they should equitably be taxed on their net value, which would make a difference of 16 per cent."

The present Chancellor of the Exchequer did what neither of his great predecessors would have dreamed of doing. He not only charged the same on realty and precarious incomes, but he placed the charge on fixed incomes at a net amount instead of at a gross amount as it formerly was, and he allowed a difference of from 8½ to 17 per cent. Now, that was introducing an inequality which might be of a more serious character than the inequality which was adjusted. Graduated taxation! They were to have graduated taxation, and he (Mr. Saunders) was very glad of it. Graduated taxation was a very important matter; but how was that dealt with in this measure? Here, again, they kept the word of promise to the ear and broke it to the hope. Graduated taxation meant the taxation of large properties at a higher rate than small ones. What was done in the Bill? There was no application of taxation as long as the old fogey who was incapable of applying his money kept it in his own hands. They waited till it ceased to be a large property—until

it was divided and would possibly be used more advantageously—and then they came upon it with graduated taxation. It was not graduated in his (Mr. Saunders's) opinion, except that it graduated the wrong way. What was wanted was to catch the capitalist while he was living. Under present conditions he could hold his gold to the very edge of the shroud mould, and his property was protected, not taxed. Then, as to registration. The course the Government were taking was disappointing. It was expected that the Chancellor of the Exchequer would have made the burden a national one, rendering the access of a poor man to Parliament more easy.

MR. SPEAKER: Order, order! The hon. Member is dealing with another Bill before the House.

\*MR. SAUNDERS said, he would pass on. He ventured to think that the Government would never have been placed in power but for the pledges they had given on these matters. Had they not promised the taxation of ground values, the payment of Members, and the lessening of the cost of registration they would never have had an opportunity of sitting on the Treasury Bench. It was a very serious matter that a Government which got into Office on the strength of promises of this kind should have failed to fulfil those promises. It was said that his would be an epoch-making Budget. He believed it would be an epoch-making Budget, but in a very different sense to what had been represented. What would happen was that the working classes, disappointed of that relief which they expected from the Budget, would cease to have confidence in the statesmanship of their rulers. He had watched politics ever since the introduction of the Reform Bill of 1832, and never had he seen such a dereliction

from promises as that which was now being witnessed. It was easy for some to regard with equanimity the existing condition of things, but unjust legislation meant to a great number of the people intense and undeserved suffering. How could hon. Members expect men amongst whom the schoolmaster had been, men who had become intelligent and enlightened, to still remain suffering through injustice with the quietude they had manifested in the past? For eight years they had looked to this Budget to release them from the suffering and injustice they now endured, and they had been entirely and completely disappointed. There was no assistance for the working man in the Budget. There was some relief for a class a good deal above the working man, but no relief for the working man. The poor man who paid 4s. a week for a room for his family would still go on paying 2s. a week to the ground landlord, and 1s. a week to the rate collector, and the ground landlord would still contribute 2s. 11d. a year in taxation, while the working man contributed 50s. How long were the people of this country going to be satisfied with this state of things? He looked forward to the future with very considerable apprehension. There had been great difficulty in repressing the disposition to action other than political, both in the neighbouring country and in our own. What could they say to those men? How could they ask them to be content to starve in quietude, without making any effort on their own behalf? He had talked to them during the last eight years with some effect. What could he say in future? He hoped he would learn something from the Chancellor of the Exchequer as to what could be said to them. This Budget did not give them a vestige of hope, and he believed that the absence of hope might bring about very serious consequences in this country.

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